

# Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm) for list of current NRMSIRs and SIDs

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## IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement  
(please include name of state where issuer is located):

City of Riverside, California - Riverside Public Financing Authority Revenue Bonds  
\$16,730,000 2001 Series A (Superior Lien Bonds)  
\$1,620,000 2001 Series B (Subordinate Lien Bonds)

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Provide nine-digit CUSIP\* numbers if available, to which the information relates:

**CUSIP NUMBERS SERIES A: 769043CL2 through 769043DA5**  
**CUSIP NUMBERS SERIES B: 769043DB3 through 769043DR8**

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## IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located): \_\_\_\_\_

Other Obligated Person's Name (if any): \_\_\_\_\_

\_\_\_\_\_  
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP\* number(s), if available, of Issuer: \_\_\_\_\_

\*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

## TYPE OF FILING:

☒ Electronic (number of pages attached) \_\_\_\_\_ ☐ Paper (number of pages attached) \_\_\_\_\_

If information is also available on the Internet, give URL:

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## WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

### A. Annual Financial Information and Operating Data pursuant to Rule 15c2-12

(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: Year ending 6/30/2011

### B. Audited Financial Statements or CAFR pursuant to Rule 15c2-12

Fiscal Period Covered: 7/1/2010 through 6/30/2011

### C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- |  |  |
|--|--|
| 1. <input type="checkbox"/> Principal and interest payment delinquencies                                 | 6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security   |
| 2. <input type="checkbox"/> Non-payment related defaults   | 7. <input type="checkbox"/> Modifications to the rights of security holders                                  |
| 3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties | 8. <input type="checkbox"/> Bond calls   |
| 4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties   | 9. <input type="checkbox"/> Defeasances  |
| 5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform   | 10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities |
|  | 11. <input type="checkbox"/> Rating changes  |

### D. Notice of Failure to Provide Annual Financial Information as Required

### E. Other Secondary Market Information (Specify):

**I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:**

#### Issuer Contact:

Name Paul C. Sundeen Title Assistant City Manager/CFO/Treasurer  
Employer City of Riverside  
Address 3900 Main Street City Riverside State CA Zip Code 92522  
Telephone 951-826-5660 Fax 951-826-5683  
Email Address psundeen@riversideca.gov Issuer Web Site Address www.riversideca.gov

#### Dissemination Agent Contact, if any:

Name John Axt Title Vice President  
Employer US Bank Trust National Association  
Address 633 West Fifth St., 24<sup>th</sup> Flr Mail Code: LM-CA-T24T City Los Angeles State CA Zip Code 90071  
Telephone 213-615-6005 Fax 213-615-6197  
Email Address \_\_\_\_\_ Relationship to Issuer Dissemination Agent

#### Obligor Contact, if any:

Name \_\_\_\_\_ Title \_\_\_\_\_  
Employer \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
Email Address \_\_\_\_\_ Obligor Web site Address \_\_\_\_\_

#### Investor Relations Contact, if any:

Name Brent A. Mason Title Finance Director  
Telephone 951-826-5750 Email Address bmason@riversideca.gov

# **ANNUAL DISCLOSURE REPORT**

**YEAR ENDING JUNE 30, 2011**

## **CITY OF RIVERSIDE PUBLIC FINANCING AUTHORITY**

**2001 CFD 86-1 REFUNDING**

**2001 SERIES A REVENUE BONDS \$16,730,000  
2001 SERIES B SUBORDINATE REVENUE BONDS \$1,620,000  
BONDS DATED DECEMBER 20, 2001**

**CUSIP NUMBERS SERIES A: 769043CL2 through 769043DA5  
CUSIP NUMBERS SERIES B: 769043DB3 through 769043DR8**

Prepared by  
City of Riverside

Paul C. Sundeen  
Assistant City Manager/CFO/Treasurer  
Finance Department  
951-826-5660

January 11, 2012

CITY OF RIVERSIDE PUBLIC FINANCING AUTHORITY  
CONTINUING DISCLOSURE INFORMATION -

2001 SERIES A REVENUE BONDS \$16,730,000

2001 SERIES B SUBORDINATE REVENUE BONDS \$1,620,000

FISCAL YEAR ENDED JUNE 30, 2011

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

(a) Attached is the audited financial statement of the City of Riverside for the year ending June 30, 2011.

(b)(i) The principal amount of the Bonds outstanding at June 30, 2011:

|  |                |           |
|--|----------------|-----------|
| 2001 SERIES A AUTHORITY REVENUE BONDS: | Outstanding \$ | 5,570,000 |
|--|----------------|-----------|

|  |                |         |
|--|----------------|---------|
| 2001 SERIES B SUBORDINATE AUTHORITY REVENUE BONDS: | Outstanding \$ | 770,000 |
|--|----------------|---------|

|   |                |           |
|---|----------------|-----------|
| 2001 LOCAL OBLIGATION SERIES A ORANGECREST BONDS: | Outstanding \$ | 6,220,000 |
|---|----------------|-----------|

|   |         |          |
|---|---------|----------|
| 2001 LOCAL OBLIGATION SERIES B MISSION GROVE BONDS: | Matured | 9/2/2009 |
|---|---------|----------|

|  |                |           |
|--|----------------|-----------|
| 2001 LOCAL OBLIGATION SERIES C CFD 2002-1 BONDS: | Outstanding \$ | 1,125,000 |
|--|----------------|-----------|

(b)(ii) Fund balances as of September 2 preceding the annual report:

Balances at September 2, 2011

|                                      |             |
|--------------------------------------|-------------|
| Reserve Fund Series A (Local Bond A) | \$1,144,379 |
| Reserve Fund Series B (Local Bond A) | 179,873     |
| Reserve Fund Series A (Local Bond B) | Matured     |
| Reserve Fund Series A (Local Bond C) | 212,092     |

Reserve Funds Requirements

|  |                |           |
|--|----------------|-----------|
| 2001 SERIES A AUTHORITY REVENUE BONDS: | Requirement \$ | 1,085,692 |
|--|----------------|-----------|

|  |                |         |
|--|----------------|---------|
| 2001 SERIES B SUBORDINATE AUTHORITY REVENUE BONDS: | Requirement \$ | 162,000 |
|--|----------------|---------|

(b)(iii) updated tables of the bond issue Official Statement:

**Delinquency History**

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**Table 5**  
**Historical Special Tax Delinquencies**  
**For CFD 86-1 and Improvement Area No. 2**

| <u>Year</u> | <u>District<br/>Special<br/>Tax Levy</u> | <u>Special Tax<br/>Collections as of<br/>June 30</u> | <u>Fiscal Year<br/>Delinquency</u> | <u>Fiscal Year<br/>Delinquency<br/>Rate</u> | <u>Prior Years<br/>Delinquency<br/>Balance @ 6/30</u> |
|-------------|--|--|------------------------------------|---|---|
| 1996/97     | \$1,526,624                              | \$1,517,160  | \$9,464                            | 0.62%                                       | \$12,270  |
| 1997/98     | 1,522,582                                | 1,516,624  | 5,958                              | 0.39  | 5,091   |
| 1998/99     | 1,598,873                                | 1,592,602  | 6,271                              | 0.39  | 3,014   |
| 1999/00     | 1,600,174                                | 1,590,752  | 9,422                              | 0.59  | 2,740   |
| 2000/01     | 1,600,247                                | 1,587,404  | 12,843                             | 0.80  | 6,906   |
| 2001/02     | 1,597,371                                | 1,564,352  | 33,019                             | 2.07  | 4,145   |
| 2002/03     | 1,407,625                                | 1,386,259  | 21,366                             | 1.52  | 6,806   |
| 2003/04     | 1,163,477                                | 1,144,805  | 18,672                             | 1.60  | 4,528   |
| 2004/05     | 1,357,625                                | 1,326,898  | 30,727                             | 2.26  | 3,229   |
| 2005/06     | 1,206,000                                | 1,167,823  | 38,177                             | 3.17  | 18,628  |
| 2006/07     | 1,171,827                                | 1,113,031  | 58,796                             | 5.02  | 12,229  |
| 2007/08     | 1,103,397                                | 1,044,317  | 59,080                             | 5.35  | 27,905  |
| 2008/09     | 951,625                                  | 914,457  | 37,206                             | 3.91  | 28,321  |
| 2009/10     | 1,290,954                                | 1,251,826  | 39,127                             | 3.03  | 24,398  |
| 2010/11     | 1,249,198                                | 1,230,539  | 18,659                             | 1.49  | 20,002  |

**Table 6**  
**Historical Special Tax Delinquencies**  
**For Improvement Area No. 1**

| <u>Year</u> | <u>District<br/>Special<br/>Tax Levy</u> | <u>Special Tax<br/>Collections as of<br/>June 30</u> | <u>Fiscal Year<br/>Delinquency</u> | <u>Fiscal Year<br/>Delinquency<br/>Rate</u> | <u>Prior Years<br/>Delinquency<br/>Balance @ 6/30</u> |
|-------------|--|--|------------------------------------|---|---|
| 1997/98     | \$697,668                                | \$93,778   | \$ 3,890                           | 0.56%                                       | \$ 81   |
| 1998/99     | 683,135                                  | 676,253  | 6,882                              | 1.01  | 81  |
| 1999/00     | 675,096                                  | 668,301  | 6,795                              | 1.01  | 162   |
| 2000/01     | 675,409                                  | 657,112  | 18,297                             | 2.71  | 901   |
| 2001/02     | 675,051                                  | 649,460  | 25,591                             | 3.79  | -0-   |
| 2002/03     | 625,312                                  | 618,716  | 6,596                              | 1.05  | 1,770   |
| 2003/04     | 562,510                                  | 557,312  | 5,198                              | 0.92  | 5,455   |
| 2004/05     | 707,812                                  | 696,453  | 11,359                             | 1.60  | 3,779   |
| 2005/06     | 556,563                                  | 543,204  | 13,359                             | 2.40  | 4,116   |
| 2006/07     | 519,318                                  | 499,797  | 19,521                             | 3.76  | 5,407   |
| 2007/08     | 557,820                                  | 538,731  | 19,089                             | 3.42  | 8,385   |
| 2008/09     | -0-                                      | -0-  | -0-                                | N/A   | 6,263   |
| 2009/10     | -0-                                      | -0-  | -0-                                | N/A   | 1,890   |
| 2010/11     | -0-                                      | -0-  | -0-                                | N/A   | 816   |

**Table 5a (New)**  
**Historical Special Tax Delinquencies**  
**For CFD 2002-1**

| <u>Year</u> | <u>District<br/>Special<br/>Tax Levy</u> | <u>Special Tax<br/>Collections as of<br/>June 30</u> | <u>Fiscal Year<br/>Delinquency</u> | <u>Fiscal Year<br/>Delinquency<br/>Rate</u> | <u>Prior Years<br/>Delinquency<br/>Balance @ 6/30</u> |
|-------------|--|--|------------------------------------|---|---|
| 2003/04     | \$249,432                                | \$249,432  | \$ -0-                             | 0.00%                                       | \$ -0-  |
| 2004/05     | 254,500                                  | 249,619  | 4,881                              | 1.92  | -0-   |
| 2005/06     | 257,004                                  | 247,146  | 9,858                              | 3.84  | 2,458   |
| 2006/07     | 258,749                                  | 241,735  | 17,014                             | 6.58  | 3,169   |
| 2007/08     | 204,750                                  | 185,678  | 19,072                             | 9.31  | 3,182   |
| 2008/09     | 215,379                                  | 200,922  | 14,457                             | 6.71  | 4,842   |
| 2009/10     | 230,249                                  | 220,787  | 9,462                              | 4.11  | 5,578   |
| 2010/11     | 209,379                                  | 205,363  | 4,015                              | 1.92  | 5,139   |

## Estimated Value-to-Lien Ratios Based Upon Assessed Values

The assessed values and direct and overlapping land secured bonded indebtedness on individual parcels vary greatly among parcels within the District. The value of individual parcels is significant because in the event of a delinquency in the payment of District Special Taxes, or Improvement Area No. 1 Special Taxes, the City may foreclose only against delinquent parcels.

Table 9 below summarizes the total assessed values of parcels within the District as of September 1, 2011 by development status, the estimated direct and overlapping debt for each category of development and that category's percentage of responsibility for payment of Special Taxes, all as established by the Riverside County 2011-12 Tax Roll.

**Table 9**  
**Estimated Value-to-Lien Ratios**  
**By Development Status As Determined by the Assessments**

| Assessed Category          | <i>District</i>                  |                                       | <i>Improvement Area No. 1</i>    |                                       | <i>Total</i>                     |   | 2011-12 Total Assessed Value <sup>(1)</sup> | Actual 2011-12 Direct and Overlapping Debt <sup>(3)</sup> | Assessed Value-To-Lien Ratio <sup>(2)</sup> |
|----------------------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|---|---|---|---|
|                            | Total 2011-12 Special Tax Levied | Percent of 2011-12 Special Tax Levied | Total 2011-12 Special Tax Levied | Percent of 2011-12 Special Tax Levied | Total 2011-12 Special Tax Levied | Percent of Total 2011-12 Special Tax Levied |   |   |   |
| Undeveloped <sup>(4)</sup> | \$760                            | 0.08%                                 | \$0                              | 0.00%                                 | \$760                            | 0.08%                                       | \$2,320,995                                 | \$30,802  | 75.35                                       |
| Developed <sup>(5)</sup>   | <u>\$990,238</u>                 | <u>99.92%</u>                         | <u>\$0</u>                       | <u>0.00%</u>                          | <u>\$990,238</u>                 | <u>99.92%</u>                               | <u>\$1,850,727,620</u>                      | <u>\$36,021,982</u>                                       | <u>51.38</u>                                |
| <b>Totals</b>              | <b>\$990,998</b>                 | <b>100.00%</b>                        | <b>\$0</b>                       | <b>0.00%</b>                          | <b>\$990,998</b>                 | <b>100.00%</b>                              | <b>\$1,853,048,615</b>                      | <b>\$36,052,784</b>                                       | <b>51.40</b>                                |

<sup>(1)</sup> Assessed values are herein defined as the sum of the land, structure and fixture values reflected on the Riverside County 2011-12 Tax Roll. Business personal property and other taxable assets and exemptions listed on the tax roll are excluded.

<sup>(2)</sup> Ratio is calculated by dividing Total Assessed Value column by Actual Direct and Overlapping Debt column.

<sup>(3)</sup> Represents the actual direct and overlapping land-secured debt upon the issuance of Local Obligations as reflected on the 2011-12 Tax Roll.

<sup>(4)</sup> Undeveloped property is defined as parcels with no significant structure value on the Riverside County 2011-12 Tax Roll.

<sup>(5)</sup> Developed property is defined as parcels having significant structure value on the Riverside County 2011-12 Tax Roll.

Source: Collins & Associates Engineering, Inc.

Table 10 below sets forth the assessed value-to-lien ratios for parcels within the District subject to District Special Taxes pursuant to the issuance of the Local Obligations based upon property values in the District as of September 1, 2011. The assessed value-to-lien ratios are based on the actual direct and overlapping land-secured debt reflected on the Riverside County 2011-12 Tax Roll. As can be seen from Table 10, none of the 6,140 parcels in the District have an assessed value-to-lien ratio less than 10 to 1.

**Table 10**  
**(District Special Taxes)**  
**Assessed Value-to-Lien Ratios for Taxable Parcels in the District**  
**as of September 1, 2011<sup>(1)</sup>**

| <b>Range of<br/>Assessed Value-to-Lien<br/>Ratios<sup>(2)</sup></b> | <b>Number<br/>of<br/>Parcels</b> | <b>Percent<br/>of<br/>Parcels</b> | <b>2011-12<br/>District<br/>Special Tax Levy</b> | <b>Percentage of<br/>2011-12<br/>District<br/>Special Tax Levy</b> | <b>2011-12<br/>Total<br/>Special Tax Levy<sup>(3)</sup></b> | <b>Percentage of<br/>2011-12<br/>Total<br/>Special Tax Levy<sup>(3)</sup></b> |
|---|----------------------------------|-----------------------------------|--|--|---|---|
| Less than 1:1   | 0                                | 0.00%                             | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 1:1 and 1.99:1  | 0                                | 0.00%                             | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 2:1 and 2.99:1  | 0                                | 0.00%                             | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 3:1 and 3.99:1  | 0                                | 0.00%                             | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 4:1 and 4.99:1  | 0                                | 0.00%                             | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 5:1 and 9.99:1  | 0                                | 0.00%                             | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 10:1 and 19.99:1  | 119                              | 1.94%                             | \$15,980   | 1.61%  | \$15,980  | 1.61%   |
| Greater than 20:1   | 6,021                            | 98.06%                            | \$975,018  | 98.39%   | \$975,018   | 98.39%  |
| <b>Totals</b>   | <b>6,140</b>                     | <b>100.00%</b>                    | <b>\$990,998</b>                                 | <b>100.00%</b>   | <b>\$990,998</b>  | <b>100.00%</b>  |

<sup>(1)</sup> Assessed values are herein defined as the sum of the land, structure and fixture values reflected on the Riverside County 2011-12 Tax Roll. Business personal property and other taxable assets and exemptions listed on the tax roll are excluded.

<sup>(2)</sup> In calculating the estimated value-to-lien ratios for this table, the numerator is based on assessed values and the denominator equals the direct and overlapping land-secured debt pursuant to the issuance of the Local Obligations, as reflected on the 2011-12 Tax Roll.

<sup>(3)</sup> Includes both the District Special Tax Levy and the Improvement Area No. 1 Special Tax Levy.

Source: Collins & Associates Engineering, Inc.



Table 11 below sets forth the assessed value-to-lien ratios for parcels within Improvement Area No. 1 pursuant to the issuance of the Local Obligations based upon property values in Improvement Area No. 1 as of September 1, 2011. The assessed value-to-lien ratios are based on the actual direct and overlapping land-secured debt reflected on the Riverside County 2011-12 Tax Roll. As can be seen from Table 11, none of the 1,488 parcels in Improvement Area No. 1 have an estimated value-to-lien ratio less than 10 to 1.

**Table 11**  
**(Improvement Area No. 1 Special Taxes)**  
**Assessed Value-to-Lien Ratios for Taxable Parcels in the District**  
**as of September 1, 2011<sup>(1)</sup>**

| <b>Range of<br/>Assessed Value-to-Lien<br/>Ratios<sup>(2)</sup></b> | <b>Number<br/>of<br/>Parcels</b> | <b>Percentage<br/>of<br/>Parcels</b> | <b>2011-12<br/>Improvement Area<br/>No. 1<br/>Special Tax Levy</b> | <b>Percentage of<br/>2011-12<br/>Improvement Area<br/>No. 1<br/>Special Tax Levy</b> | <b>2011-12<br/>Total<br/>Special Tax Levy<sup>(3)</sup></b> | <b>Percentage of<br/>2011-12<br/>Total<br/>Special Tax Levy<sup>(3)</sup></b> |
|---|----------------------------------|--------------------------------------|--|--|---|---|
| Less than 1:1   | 0                                | 0.00%                                | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 1:1 and 1.99:1  | 0                                | 0.00%                                | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 2:1 and 2.99:1  | 0                                | 0.00%                                | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 3:1 and 3.99:1  | 0                                | 0.00%                                | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 4:1 and 4.99:1  | 0                                | 0.00%                                | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 5:1 and 9.99:1  | 0                                | 0.00%                                | \$0  | 0.00%  | \$0   | 0.00%   |
| Between 10:1 and 19.99:1  | 116                              | 7.80%                                | \$0  | 0.00%  | \$6,477   | 16.29%  |
| Greater than 20:1   | 1,372                            | 92.20%                               | \$0  | 0.00%  | \$33,285  | 83.71%  |
| <b>Totals</b>   | <b>1,488</b>                     | <b>100.00%</b>                       | <b>\$0</b>   | <b>0.00%</b>   | <b>\$39,762</b>   | <b>100.00%</b>  |

<sup>(1)</sup> Assessed values are herein defined as the sum of the land, structure and fixture values reflected on the Riverside County 2011-12 Tax Roll. Business personal property and other taxable assets and exemptions listed on the tax roll are excluded.

<sup>(2)</sup> In calculating the estimated value-to-lien ratios for this table, the numerator is based on assessed values and the denominator equals the direct and overlapping land-secured debt pursuant to the issuance of the Local Obligations, as reflected on the 2011-12 Tax Roll.

<sup>(3)</sup> Includes both the District Special Tax Levy and the Improvement Area No. 1 Special Tax Levy.

Source: Collins & Associates Engineering, Inc.

## Largest Property Owners by Special Tax Levy

Table 12 below shows the top ten property owners, ranked by percentage of the total Special Tax levy for Fiscal Year 2011-12, and the assessed value-to-lien ratios for such property owners based upon property values and property ownership in the District as of September 1, 2011, as set forth in the Riverside County 2011-12 Tax Roll, and upon the principal amount of the Local Obligations.

**Table 12**  
**Top Ten Property Owners by**  
**Percentage of Total Special Tax Levy for**  
**Fiscal Year 2011-12<sup>(1)</sup>**

| Property Owner                        | Total<br>2011-12<br>Special<br>Taxes <sup>(1)</sup> | Percent of<br>Total<br>2011-12<br>Special<br>Taxes | Total<br>Assessed<br>Value on<br>2011-12<br>Tax Roll <sup>(2)</sup> | Actual<br>2011-12<br>Direct and<br>Overlapping<br>Debt <sup>(3)</sup> | Assessed<br>Value-to-<br>Lien<br>Ratio <sup>(4)</sup> |
|---------------------------------------|---|--|---|---|---|
| KOHL'S DEPT STORES INC                | \$26,027  | 2.63%  | \$11,361,200  | \$263,438   | 43.13   |
| PACIFIC COSTANZO RIVERSIDE            | \$17,178  | 1.73%  | \$7,177,592   | \$164,861   | 43.54   |
| NEW ALBERTSONS INC                    | \$16,140  | 1.63%  | \$6,526,170   | \$163,669   | 39.87   |
| HEC ORANGECREST                       | \$8,968   | 0.90%  | \$823,672   | \$56,366  | 14.61   |
| EAST HILLS COMMUNITY CHURCH RIVERSIDE | \$6,943   | 0.70%  | \$4,446,168   | \$38,751  | 114.74  |
| ORANGECREST PARTNERS                  | \$6,911   | 0.70%  | \$2,653,424   | \$63,949  | 41.49   |
| WALGREEN CO                           | \$4,821   | 0.49%  | \$6,692,794   | \$93,800  | 71.35   |
| FRESH & EAST NEIGHBORHOOD MARKET      | \$4,754   | 0.48%  | \$2,123,554   | \$47,017  | 45.17   |
| TESORO SIERRA PROP                    | \$4,436   | 0.45%  | \$4,481,591   | \$73,472  | 61.00   |
| WOOD ROAD PARTNERSHIP                 | \$4,281   | 0.43%  | \$2,518,812   | \$48,503  | 51.93   |
| <b>Total</b>                          | <b>\$100,459</b>                                    | <b>10.14%</b>                                      | <b>\$48,804,977</b>   | <b>\$1,013,825</b>  | <b>48.14</b>  |

<sup>(1)</sup> Total Special Tax Levy is aggregate of District Special Taxes and Improvement Area No. 1 Special Taxes.

<sup>(2)</sup> Assessed values are herein defined as the sum of the land, structure and fixture values reflected on the Riverside County 2011-12 Tax Roll. Business personal property and other taxable assets and exemptions listed on the tax roll are excluded.

<sup>(3)</sup> Represents the actual direct and overlapping land-secured debt upon the issuance of Local Obligations as reflected on the 2011-12 Tax Roll.

<sup>(4)</sup> Ratio is calculated by dividing Total Assessed Value column by Actual Direct and Overlapping Debt column.

Source: Collins & Associates Engineering, Inc.

Table 13 below shows the top ten property owners, ranked by percentage of the total District Special Tax levied for Fiscal Year 2011-12, and the assessed value-to-lien ratios for such property owners based upon property values and property ownership in the District as of September 1, 2010, as set forth in the Riverside County 2011-12 Tax Roll.

**Table 13**  
**Top Ten Property Owners by**  
**Percentage of Total District Special Tax**  
**Levied for Fiscal Year 2011-12**

| Property Owner                            | 2011-12<br>District<br>Special<br>Tax | Percent of<br>Total<br>2011-12<br>District<br>Special Tax | Total<br>2011-12<br>Special<br>Taxes | Percent of<br>Total<br>2011-12<br>Special<br>Taxes | Total<br>Assessed<br>Value on<br>2011-12<br>Tax Roll <sup>(1)</sup> | Actual<br>2011-12<br>Direct and<br>Overlapping<br>Debt <sup>(2)</sup> | Assessed<br>Value-to-<br>Lien<br>Ratio <sup>(3)</sup> |
|---|---------------------------------------|---|--------------------------------------|--|---|---|---|
| KOHL'S DEPT STORES INC                    | \$26,027                              | 2.63%   | \$26,027                             | 2.63%  | \$11,361,200  | \$263,438   | 43.13   |
| PACIFIC COSTANZO RIVERSIDE                | \$17,178                              | 1.73%   | \$17,178                             | 1.73%  | \$7,177,592   | \$164,861   | 43.54   |
| NEW ALBERTSONS INC                        | \$16,140                              | 1.63%   | \$16,140                             | 1.63%  | \$6,526,170   | \$163,669   | 39.87   |
| HEC ORANGECREST                           | \$8,968                               | 0.90%   | \$8,968                              | 0.90%  | \$823,672   | \$56,366  | 14.61   |
| EAST HILLS COMMUNITY CHURCH RIVERSIDE INC | \$6,943                               | 0.70%   | \$6,943                              | 0.70%  | \$4,446,168   | \$38,751  | 114.74  |
| ORANGECREST PARTNERS                      | \$6,911                               | 0.70%   | \$6,911                              | 0.70%  | \$2,653,424   | \$63,949  | 41.49   |
| WALGREEN CO                               | \$4,821                               | 0.49%   | \$4,821                              | 0.49%  | \$6,692,794   | \$93,800  | 71.35   |
| FRESH & EASY NEIGHBORHOOD MARKET          | \$4,754                               | 0.48%   | \$4,754                              | 0.48%  | \$2,123,554   | \$47,017  | 45.17   |
| TESORO SIERRA PROP                        | \$4,436                               | 0.45%   | \$4,436                              | 0.45%  | \$4,481,591   | \$73,472  | 61.00   |
| WOOD ROAD PARTNERSHIP                     | \$4,281                               | 0.43%   | \$4,281                              | 0.43%  | \$2,518,812   | \$48,503  | 51.93   |
| <b>Total</b>                              | <b>\$100,459</b>                      | <b>10.14%</b>   | <b>\$100,459</b>                     | <b>10.14%</b>                                      | <b>\$48,804,977</b>   | <b>\$1,013,825</b>  | <b>48.14</b>  |

<sup>(1)</sup> Assessed values are herein defined as the sum of the land, structure and fixture values reflected on the Riverside County 2011-12 Tax Roll. Business personal property and other taxable assets and exemptions listed on the tax roll are excluded.

<sup>(2)</sup> Represents the actual direct and overlapping land-secured debt upon the issuance of Local Obligations as reflected on the 2011-12 Tax Roll.

<sup>(3)</sup> Ratio is calculated by dividing Total Assessed Value column by Actual Direct and Overlapping Debt column.

<sup>(4)</sup> See sections titled "Proposed Development by Communities Southwest and Related Entities" and "Communities Southwest and Related Entities" herein.



Table 14 below shows the top ten property owners, ranked by percentage of the total Improvement Area No. 1 Special Tax levied for Fiscal Year 2011-12, and the assessed value-to-lien ratios for such property owners within Improvement Area No. 1 based upon property values and property ownership in Improvement Area No. 1 as of September 1, 2011, as set forth in the Riverside County 2011-12 Tax Roll

**Table 14**  
**Top Ten Property Owners by**  
**Percentage of Total Improvement Area No. 1 Special Tax**  
**Levied for Fiscal Year 2011-12**

| Property Owner                            | 2011-12<br>Improvement<br>Area No. 1<br>Special Tax | Percent of<br>Total<br>2011-12<br>Improvement<br>Area No. 1<br>Special Tax | Total<br>2011-12<br>Special<br>Taxes | Percent of<br>Total<br>2011-12<br>Special<br>Taxes | Total<br>Assessed<br>Value on<br>2011-12<br>Tax Roll <sup>(1)</sup> | Actual<br>2011-12<br>Direct and<br>Overlapping<br>Debt <sup>(2)</sup> | Assessed<br>Value-to-<br>Lien<br>Ratio <sup>(3)</sup> |
|---|---|--|--------------------------------------|--|---|---|---|
| KOHL'S DEPT STORES INC                    | \$0   | 0.00%  | \$26,027                             | 2.63%  | \$11,361,200  | \$263,438   | 43.13   |
| PACIFIC COSTANZO RIVERSIDE                | \$0   | 0.00%  | \$17,178                             | 1.73%  | \$7,177,592   | \$164,861   | 43.54   |
| NEW ALBERTSONS INC                        | \$0   | 0.00%  | \$16,140                             | 1.63%  | \$6,526,170   | \$163,669   | 39.87   |
| HEC ORANGECREST                           | \$0   | 0.00%  | \$8,968                              | 0.90%  | \$823,672   | \$56,366  | 14.61   |
| EAST HILLS COMMUNITY CHURCH RIVERSIDE INC | \$0   | 0.00%  | \$6,943                              | 0.70%  | \$4,446,168   | \$38,751  | 114.74  |
| ORANGECREST PARTNERS                      | \$0   | 0.00%  | \$6,911                              | 0.70%  | \$2,653,424   | \$63,949  | 41.49   |
| WALGREEN CO                               | \$0   | 0.00%  | \$4,821                              | 0.49%  | \$6,692,794   | \$93,800  | 71.35   |
| TESORO SIERRA PROP                        | \$0   | 0.00%  | \$4,754                              | 0.48%  | \$2,123,554   | \$47,017  | 45.17   |
| TESORO SIERRA PROP                        | \$0   | 0.00%  | \$4,436                              | 0.45%  | \$4,481,591   | \$73,472  | 61.00   |
| WOOD ROAD PARTNERSHIP                     | \$0   | 0.00%  | \$4,281                              | 0.43%  | \$2,518,812   | \$48,503  | 51.93   |
| <b>Total</b>                              | <b>\$0</b>  | <b>0.00%</b>   | <b>\$100,459</b>                     | <b>10.14%</b>                                      | <b>\$48,804,977</b>   | <b>\$1,013,825</b>  | <b>48.14</b>  |

<sup>(1)</sup> Assessed values are herein defined as the sum of the land, structure and fixture values reflected on the Riverside County 2011-12 Tax Roll. Business personal property and other taxable assets and exemptions listed on the tax roll are excluded.

<sup>(2)</sup> Represents the actual direct and overlapping land-secured debt upon the issuance of Local Obligations as reflected on the 2011-12 Tax Roll.

<sup>(3)</sup> Ratio is calculated by dividing Total Assessed Value column by Actual Direct and Overlapping Debt column.

Source: Collins & Associates Engineering, Inc.



(b)(iv) There were no changes to the Rates and Method of Apportionment of the special tax approved or submitted to the qualified electors for approval.

(b)(v) There has been no known event, which would reduce the number of residential units to be constructed within the District, or which would result in a moratorium on future building within the District.

(b)(vi) There are no foreclosure actions being pursued with respect to delinquent Special Taxes.

(b)(vii) The City adopted the Specific Plan Amendment for the formation of CFD 2002-1. The Rates and Method of Apportionment of special taxes for CFD 2002-1 were submitted to and approved by the electors in early 2003. CFD 2002-1 was formed and the Series C Local Obligation bond was issued.

(b)(viii) The electors approved the Rates and Method of Apportionment of special taxes for CFD 2002-1 in early 2003. The Rates and Method of Apportionment of special taxes for CFD 2002-1 was submitted with the June 2004 annual report, the first year for which special taxes were levied.

(b)(ix) There is no additional information not included above that is included in the annual report to the California Debt and Investment Advisory Commission.

## **CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events**

There has been no occurrence of the following significant events with respect to the 2001 SERIES A REVENUE BONDS \$16,730,000 or the 2001 SERIES B SUBORDINATE REVENUE BONDS \$1,620,000, except that relative to item #11, as previously disclosed, Standard and Poor's, Moody's, and Fitch have lowered their ratings of the insurer of the bonds, Ambac Assurance Corp., from AAA, Aaa, and AAA to Withdrawn, Withdrawn, and Withdrawn, respectively.

1. Delinquency in payment when due of any principal or interest on the Bonds.
2. Occurrence of any Event of default under and as defined in the Indenture or Fiscal Agent Agreement (other than as described in clause (1) above).
3. Any unscheduled draw on either Reserve Account reflecting financial difficulties.
4. Any unscheduled draws on any credit enhancement reflecting financial difficulties.
5. Any change in the provider of any letter of credit or any municipal bond insurance policy securing the Bonds or any failure by the providers of such letters of credit or municipal bond insurance policies to perform on the letter of credit or municipal bond insurance policy.
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
7. Modifications to the rights of Bondholders.
8. Unscheduled redemption of any Bond.
9. Defeasance of the Bonds or any portion thereof.
10. Any release, substitution, or sale of property securing repayment of the Bonds.
11. Any change in the rating on the Bonds.